



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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February 2, 2004

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley
Auditor-Controller 

SUBJECT: **LOS ANGELES COUNTY OFFICE OF EDUCATION CONTRACT
REVIEW**

We have completed a contract compliance review of the Los Angeles County Office of Education (LACOE), an After-School Enrichment Program (ASEP) service provider. The review was conducted as part of the Auditor-Controller's Centralized Contract Monitoring Pilot Project.

Background

The Department of Public Social Services (DPSS) contracts with LACOE, a governmental agency, to provide an after school enrichment program to eligible CalWORKs children who are enrolled in Los Angeles County school districts outside of the Los Angeles Unified School District. LACOE administers after school programs, which incorporate educational, recreational and enrichment activities at elementary school sites with a high enrollment of CalWORKs children. LACOE subcontracts with school districts and non-profit organizations to provide the ASEP at 81 school sites. LACOE is required to provide technical assistance and monitor the school sites to ensure they comply with the program requirements. LACOE's ASEP sites are located in the First, Second, Fourth and Fifth Districts.

DPSS reimburses actual costs incurred by LACOE. For Fiscal Year 2002-03, DPSS paid LACOE approximately \$950,000 for program administration.

Purpose/Methodology

The purpose of the review was to determine whether LACOE was providing the services outlined in their Statement of Work and County contract. Since LACOE functions as the administrator to 81 schools participating in the ASEP, we reviewed LACOE's

administrative staffing levels, staff qualifications and services performed by the administrative staff. We also interviewed staff at 15 subcontract school sites to confirm the services provided by LACOE. We will review subcontractor program services when we visit individual school sites and will issue a separate report for each school site.

Results of Review

Overall, LACOE's Administration is providing the services outlined in its County contract using qualified administrative staff to perform those services. The subcontractor school site staff stated that the services they receive from LACOE meet their expectations. Their assigned Regional Coordinators visit them periodically and assist them with invoicing, budgeting, lesson ideas and resources. In addition, LACOE appropriately bills DPSS for only administrative costs directly attributed to the ASEP and maintains documentation to support those costs.

Attached is a detailed report of the monitoring review.

Review of Report

On January 8, 2004, we discussed our report with LACOE, who agreed with the report's findings. In addition, we notified DPSS of the results of our review.

We thank LACOE for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1122.

JTM:PM:DC

Attachment

c: David E. Janssen, Chief Administrative Officer
Department of Public Social Services
Bryce Yokomizo, Director
Gail Dershewitz, Division Chief, Research, Evaluation and Quality Assurance Division
Sheri Lewis, HSA III, Child Care Program Section
Darline P. Robles, Ph.D., Superintendent, Los Angeles County Office of Education
Violet Varona-Lukens, Executive Officer
Public Information Office
Audit Committee

**CENTRALIZED CONTRACT MONITORING PILOT PROJECT
AFTER SCHOOL ENRICHMENT PROGRAM
FISCAL YEAR 2003-2004
LOS ANGELES COUNTY OFFICE OF EDUCATION**

BILLED SERVICES / STAFFING LEVELS

DPSS reimburses Los Angeles County Office of Education (LACOE) for the costs that LACOE incurs administering the After School Enrichment Program (ASEP). The administrative costs include salaries paid to the staff assigned to the ASEP, employee benefits and services and supplies (overhead) expenses.

Objective

Determine whether LACOE billed DPSS for only expenses directly attributed to the ASEP. In addition, determine that LACOE's reported staffing levels are equal to those identified in the County contract.

Verification

We reviewed LACOE's organization chart and timekeeping records to identify the staff assigned to the ASEP. We also interviewed the Program Coordinator and 8 out of 15 (53%) staff to confirm that they were actually assigned to the ASEP.

We also reviewed LACOE's payroll register and compared the amount paid to staff working on the ASEP to the amounts LACOE billed DPSS. In addition, we evaluated the employee benefits and overhead rates to determine whether the expenses billed were reasonable.

Results

Our review of LACOE's timekeeping records and payroll register disclosed that LACOE appropriately billed DPSS for expenses directly attributed to the ASEP. We also noted that the employee benefits and overhead expenses billed were reasonable. In addition, LACOE's staffing levels are equal to those indicated in the County contract.

Recommendations

There are no recommendations in this section.

STAFFING QUALIFICATIONS**Objective**

Determine whether LACOE's administrative staff meet the qualifications as required by DPSS' contract.

Verification

We judgmentally selected 8 staff and reviewed their job descriptions and personnel files to determine their qualifications.

Results

Our review of LACOE's administrative staff's personnel files disclosed that the staff assigned to DPSS' contract possess the required education and experience identified in DPSS' contract.

Recommendation

There are no recommendations for this section.

SERVICE LEVELS**Objectives**

Determine whether LACOE's reported services did not significantly vary from planned service levels.

Verification

We obtained the number of students serviced from LACOE's invoices for FY 2002-03 and compared the numbers against the budgeted amounts.

Results

For FY 2002-03, LACOE serviced 24,314 students. For the same period, LACOE's initial planned service level was 31,320 students. However, in January 2003, the County decreased the funding by 37% resulting in 8 out of 89 (10%) schools withdrawing from the program. Based on the reduced funding, LACOE's actual service level is appropriate.

Recommendation

There are no recommendations for this section.



Los Angeles County Office of Education

Leading Educators • Supporting Students • Serving Communities

January 28, 2004

Darline P. Robles, Ph.D.
Superintendent

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Mr. J. Tyler McCauley
Auditor-Controller
Los Angeles County Department of Auditor-Controller
1000 Fremont Avenue
Alhambra, CA 91803

Dear Mr. McCauley:

Thank you for the opportunity to respond to the draft contract compliance review for the Los Angeles County Office of Education After-School Enrichment Program.

We have reviewed the report and are in agreement with the findings. We are very proud of our program and appreciate that your staff found the program to be in complete compliance with the contract. Our staff has worked very hard to provide the best quality program to the children of Los Angeles County.

I would also like to thank your staff for their professional approach to the audit process, their candid comments and suggestions for improving the program, and for the straightforward manner in which they worked with our staff. They were not in any way intrusive nor did they interfere in the daily work of staff. They were very thorough, flexible, and a pleasure with which to work.

If you have any further questions or need additional information on the program, please contact John Berndt, program coordinator of the After-School Enrichment Program, at (562) 401-5597.

Sincerely,

Darline P. Robles, Ph.D.
Superintendent

DPR:EDL:JSB:dr